



Arkansas Economic Update

June 17, 2016

Summary

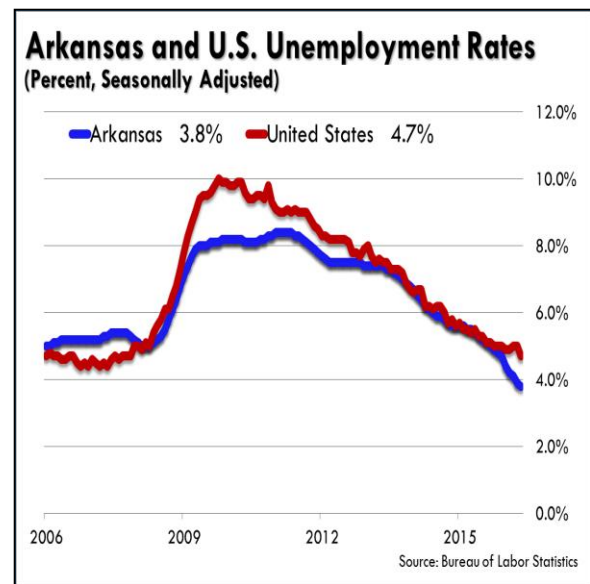
Nonfarm payroll employment in Arkansas increased by 1,200 jobs and the unemployment rate fell to 3.8 percent in May according to data released by the Bureau of Labor Statistics (BLS).

Arkansas Unemployment Rate

During May, the unemployment rate in Arkansas declined by 0.1 percentage point to 3.8 percent. The number of people counted as unemployed fell by 1,027 in May to 51,773, while the labor force grew by 46 to 1,362,030. Among the 50 states and the District of Columbia, 10 posted lower unemployment rates for the month than Arkansas. A year earlier, the unemployment rate in Arkansas stood at 5.4 percent.

The 10 year peak for the unemployment rate in Arkansas was 8.4 percent in May 2011. The series high for the unemployment rate in Arkansas occurred in February 1983 when the unemployment rate reached 10.3 percent. The 10 year low for the unemployment rate was 3.8 percent in May 2016. This also represents the series low for the unemployment rate in Arkansas. BLS began publishing the state unemployment rate series in 1976.

The national unemployment rate declined by 0.3 percentage point to 4.7 percent in May. May's unemployment rate was 0.8 percentage point lower than a year earlier. The 10-year high for the national unemployment rate was 10.0 percent in October 2009. The 10-year low was 4.4 percent in May 2007.



Arkansas Payroll Employment

Arkansas nonfarm payrolls increased by 1,200 jobs, or 0.10 percent, on a seasonally adjusted basis during May. In the prior month, nonfarm payrolls increased by 600. Over the past 12 months nonfarm payrolls in Arkansas increased by 22,100, or 1.84 percent. Arkansas nonfarm payroll employment has increased in 10 of the past 12 months.

Nationally, nonfarm payrolls increased by 38,000 jobs in May, or 0.03 percent. Over the 12-month period ending May 2016 nonfarm payrolls grew by 2,398,000 jobs, or 1.69 percent. Arkansas ranks 18th among the 50 states and the District of Columbia for percentage gain in nonfarm payroll employment over the past 12 months.

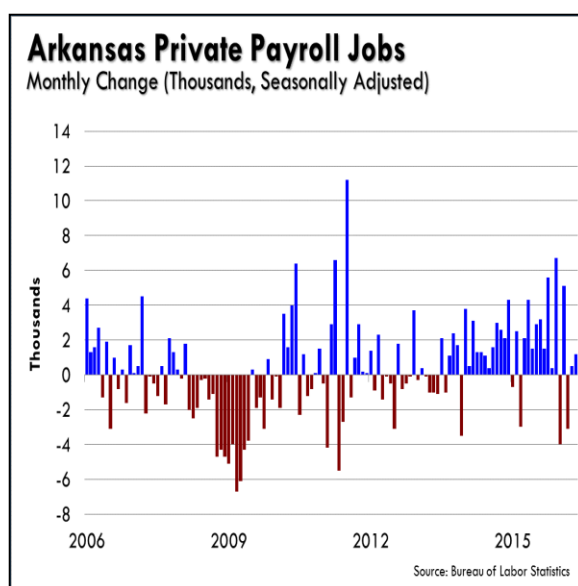
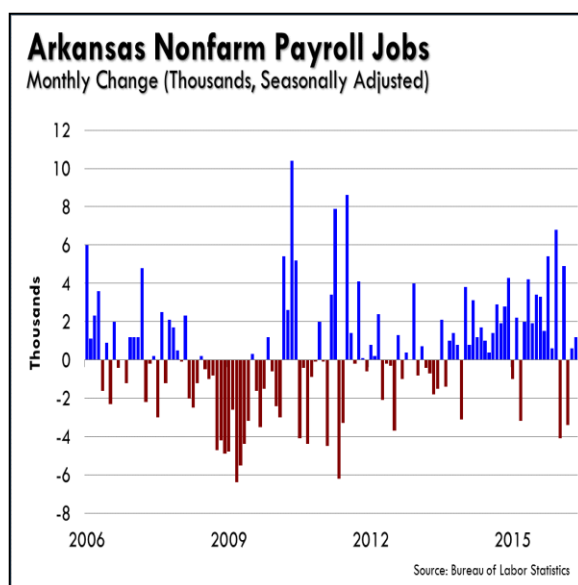
During May, Arkansas private sector payrolls increased by 1,200, or 0.12 percent. Private sector payrolls increased by 500 jobs in the prior month. Over the past 12 months, private sector payrolls in Arkansas increased by 21,500, or 2.17 percent. Arkansas private sector payroll employment has increased in 10 of the past 12 months.

Nationally private-sector payroll jobs increased by 25,000 jobs in 1.69, or 0.02 percent. Over the past 12 months, the nation's economy has added 2,297,000 jobs in the private sector, an increase of 1.92 percent.

Arkansas ranks 16th among the 50 states and the District of Columbia for percentage gain in private sector payroll employment over the past 12 months.

During May, total government payroll employment in Arkansas was unchanged. Federal government payroll employment was unchanged. State government payroll employment was unchanged, while local government payroll employment was unchanged.

Over the past year, total government payroll employment increased by 600, or 0.28 percent. State government payroll employment increased by 600, or 0.77 percent. Local government payroll employment declined by 200, or 0.18 percent.



The best performing sectors on a seasonally adjusted basis during May were Educational & Health Services (+2,200) and Financial Activities (+300). The poorest performing sectors during the month were Leisure & Hospitality (-500) and Construction (-400).

The best performing sectors during the last twelve months were Educational & Health Services (+7,500) and Trade, Transportation & Utilities (+6,200). The poorest performing sectors for the year were Mining & Logging (-1,500) and Manufacturing (-800).

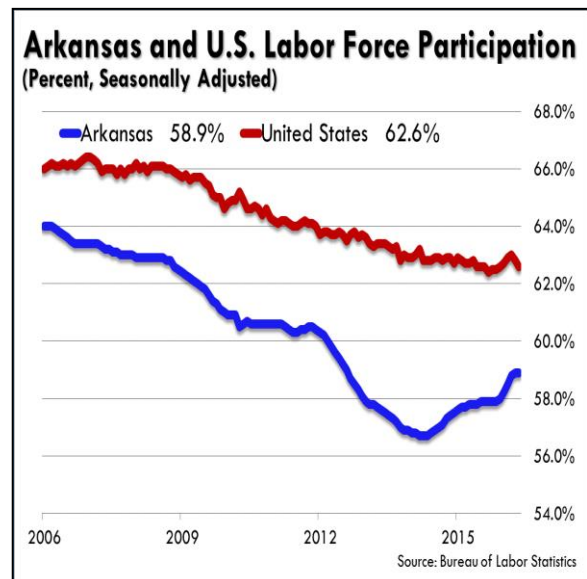
Other Arkansas Labor Force Statistics

The labor force participation rate in Arkansas was unchanged at 58.9 percent in May. Among the 50 states and the District of Columbia, 44 have a higher labor force participation rate than Arkansas. The labor force participation rate in Arkansas is unchanged from a year earlier. The labor force participation rate is the percentage of the civilian noninstitutionalized population age 16 and older who are employed or actively looking for work.

The 10 year high for the labor force participation rate in Arkansas was 63.7 percent in June 2006. The series high for the labor force participation rate in Arkansas occurred in January 1995 when the labor force participation rate hit 65.1 percent. The 10 year low for the labor force participation rate was 56.7 percent in May 2014. This also represents the series low for the labor force participation rate in Arkansas.

The national labor force participation rate declined by 0.2 percentage point to 62.6 percent in May 2016, but remains near its 38-year low of 62.4 percent.

The employment-to-population ratio, or the percentage of the Arkansas civilian noninstitutionalized population 16 years and older counted as employed, was unchanged at 56.6 percent in May. Among the 50 states and the District of Columbia, 42 have higher employment-to-population ratios than Arkansas. The employment-to-population ratio in Arkansas is 1.9 percentage points higher than a year earlier.



The 10 year high for the employment-to-population ratio in Arkansas was 60.4 percent in June 2006. The series high for the employment-to-population ratio in Arkansas occurred in January 1995 when the employment-to-population ratio hit 62.0 percent. The 10 year low for the employment-to-population ratio was 53.0 percent in January 2014. The series low for the employment-to-population ratio occurred in March 2014 when the employment-to-population ratio hit 53.0 percent.

The national employment-to-population ratio held steady at 59.7 percent in May. That rate was 0.3 percentage point higher than a year earlier. The all-time high for the employment-to-population ratio was 64.7 in April 2000. The 10-year high for the employment-to-population ratio was 63.4 percent in December 2006. The recent low occurred in October 2013 when the employment-to-population ratio dipped to 58.2 percent. The last time the employment-to-population ratio posted a reading lower than 58.2 percent was July 1983.

State employment and unemployment data for June is scheduled for release on July 22, 2016. The national employment situation report for June will be released on Friday, July 8, 2016.

